



U.S. Department of State Fact Sheet

Intellectual Property Rights Protection: An Overview

What is Intellectual Property?

Intellectual property is information and original expression that derives its intrinsic value from creative ideas. It is also information with a commercial value.

Protecting Intellectual Property

Key forms of intellectual property rights are patents, copyrights, trademarks, industrial designs and trade secrets. Laws setting forth the scope and duration of rights provide the basis for intellectual property protection.

But laws comprise only part of a national system of intellectual property protection. Effective protection also depends on the institutions administering the system and the means available for enforcement.

National Laws, International Accords

The intellectual property rights protected by legal instruments are created by national laws. Citizens seeking protection for their works abroad, however, have led to a need for harmonization of protection among nations.

Where protection does not exist or is not effective, piracy -- unauthorized copying of books, computer software, semi-conductor chips, or other copyrighted works or sound recordings - is often commonplace. Counterfeiting, once limited to illegal use of trademarks of brand-name consumer goods, now occurs in relation to such products as pharmaceuticals, agrochemical and spare parts for aircraft.

The first international treaties addressing the protection of IPRs, the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works, were created in the 1880s and have been updated many times. These are administered by the World Intellectual Property Organization (WIPO), a United Nations agency established in 1967.

Until relatively recently, harmonization across countries regarding protection of IPRs remained low.

In the 1980s, the United States and other industrialized countries pressed to include IPRs in the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (GATT), 1986-1993.

The TRIPS Agreement

The Uruguay Round accord broke new ground as signatories agreed to a comprehensive set of rules establishing minimum standards for the protection of intellectual property rights and to stronger measures at international borders to stop trade infringing on these rights.

Under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),

member states are obliged to provide in their national laws internationally agreed norms for protecting patents, trademarks, copyrights, industrial designs, trade secrets, integrated circuits and geographical indications. The accord includes areas -- such as pharmaceutical products -- not previously protected in many countries.

Industrialized countries were given one year for implementation from the agreement's entry into force on July 1, 1995. Developing countries and those shifting from centrally planned to market economies had four to nine additional years for implementation, depending on the sector. Least-developed countries have until 2006 to comply.

Enforcement provisions call for using improved international dispute settlement procedures under the World Trade Organization (WTO).

U.S. Policy

Intellectual property rights protection is an essential element of U.S. economic policy. Such protection stimulates research, technological innovation and creativity by allowing individuals and companies to enjoy the benefits of their creative efforts.

The U.S. approach to strengthening the protection of intellectual property abroad consists of:

- Seeking to raise international standards of protection through international agreements and organizations.
- Pursuing improvements in protection and enforcement in bilateral negotiations with its trading partners.
- U.S. legislation has made intellectual property protection one factor in determining countries' eligibility for economic benefits under the U.S. Generalized System of Preferences and the Caribbean Basin Initiative.
- Also, U.S. trade laws provide for an annual review of foreign intellectual property laws and practices and allow the U.S. government to respond to inadequate or ineffective protection of intellectual property rights protection with penalties.